

STATE OF VERMONT
PUBLIC SERVICE BOARD

Docket No. 5270-ENSB-1

Investigation into Least-Cost)
Investments, Energy Efficiency,)
Conservation and Management of)
Demand for Energy In Re: Village)
of Enosburg Falls Water and Light)
Department Inc.'s Integrated)
Resource Plan filing)

Order entered: 1/17/96

PRESENT: Sandra A. Waldstein, Hearing Officer

APPEARANCES: William B. Piper, Esq.
Primmer & Piper, P.C.
for Village of Enosburg Falls Water and Light Department,
Inc. and Vermont Public Power Supply Authority

Andrew N. Raubvogel, Esq.
for the Vermont Department of Public Service

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I. INTRODUCTION

This Proposal for Decision ("PFD") recommends that the Public Service Board ("Board") approve the integrated resource plan ("IRP") of the Village of Enosburg Falls Water & Light Department, Inc. ("Enosburg") pursuant to a Stipulation in this Docket filed by Enosburg, the Vermont Public Power Supply Authority ("VPPSA"), and the Department of Public Service ("Department" or "DPS"). As filed, Enosburg anticipates peak demand savings of 132.2 kilowatts ("KW") and energy savings of 1,474 megawatt hours ("MWHs") through 1999. Enosburg's cost-effective demand-side management ("DSM") programs will result in an estimated net societal benefit of \$115,606. The parties agree that Enosburg's IRP, as modified by the Stipulation, meets the requirements of 30 V.S.A. § 218c and complies with the Board's Orders in Docket No. 5270 and the DPS's Twenty-Year Plan. I recommend that the Board approve this IRP, subject to Enosburg's compliance with the conditions and agreements incorporated in the Stipulation.¹

II. BACKGROUND

Enosburg filed this IRP on August 1, 1995. This filing was a complete revision and replacement of Enosburg's previous IRP filed on June 18, 1991. Revisions were made to Enosburg's IRP over the interim period as the DPS and Enosburg had informal discussions regarding Enosburg's IRP.

A status conference was held on June 13, 1995, at which time a schedule was set. A technical hearing concerning the issues to be resolved pursuant to the Board's ruling in Docket No. 5270-HDPK-1 was held on June 28, 1995.

On August 31, 1995, the DPS, Enosburg, and three other VPPSA-member utilities² requested consolidated technical hearings in their respective IRP dockets. The request was granted by Order dated September 7, 1995. Prior to the technical hearing, the parties prefiled testimony on several issues. However, on September 22, 1995, the parties filed a Stipulation resolving all outstanding issues regarding Enosburg's IRP. An evidentiary hearing on the Stipulation was held on October 3, 1995.

1. As detailed below, Enosburg has already made many of the compliance filings required by the parties' Stipulation.

2. The three other VPPSA-member utilities are Swanton Village, Inc. Electric Department, Village of Jacksonville Electric Company, and Village of Stowe Water and Light Department.

On October 19, 1995, a proposed order was filed by Enosburg. In its cover letter, Enosburg waived its right to comment on this PFD, provided that the PFD is consistent with Enosburg's proposed order. On January 3, 1996, the DPS waived its right to comment on this PFD, provided it is consistent with the parties' stipulation and Enosburg's proposed order.

III. FINDINGS OF FACT

A. TRANSMISSION AND DISTRIBUTION

1. Enosburg has agreed to perform a transmission and distribution ("T&D") study in accordance with the T&D design plan. The T&D study will be prepared in accordance with a schedule outlined in a compliance filing by November 15, 1995.³ Stip. at 2 at Attachment 1.

2. Enosburg has agreed to begin the T&D study by no later than February 1, 1996, and to complete it and submit it to the Public Service Board as a compliance filing no later than August 1, 1996. Stip. at 2.

3. Enosburg has agreed to submit as a compliance filing by September 1, 1996, a schedule detailing the timely implementation of the recommendations contained in the T&D study. *Id.*

B. LOAD FORECAST

4. Enosburg currently has 1,356 customers of which 1,216 are residential, 110 are commercial and the remainder are public. Exh. Enosburg-1 at page 3.1.1.

5. Enosburg projects a peak of 4,260 KW and energy consumption of 21,204 MWHs in 1999. Exh. Enosburg-1 at pages 1.1.1 and 1.1.3.

6. While acknowledging that the ultimate conclusions embodied in Enosburg's load forecast may be reasonable, the Department has some remaining concerns with Enosburg's implementation of the improved methodology. Stip. at 2-3.

7. Enosburg has agreed not to rely on the load forecast in the IRP for future supply acquisitions that require approval under 30 V.S.A. § 248. Enosburg may rely on the load forecast for identifying avoided costs in order to determine cost-effective T&D improvements and DSM measures and programs. Stip. at 3.

8. Enosburg has agreed to submit a compliance filing by November 15, 1995, detailing how it will analyze alternatives to its current load forecast to address the

3. Enosburg filed the schedule for its T&D study on 11/15/95.

DPS's concerns.⁴ Stip. at 4.

C. SUPPLY RESOURCES

9. The Department believes that Enosburg's IRP contains certain deficiencies in considering alternative supply and long-term pricing assumptions. Enosburg disagrees with the Department's criticisms. Stip. at 4-5.

10. Enosburg has agreed to submit a compliance filing by November 22, 1995, which will contain revised avoided costs using proxy units described in Attachment II of the Stipulation.⁵ Enosburg also agrees to use interim avoided cost values contained in Attachment III. Stip. at 6.

11. Enosburg agrees to use the principles of least-cost planning in all future supply resource acquisitions. *Id.*

12. Enosburg agrees not to use the supply plan in this IRP for any future energy capacity purchase that exceeds a five-year period and represents more than one percent of Enosburg's historic peak demand. *Id.*

D. DEMAND-SIDE MANAGEMENT

13. Enosburg estimates that cost-effective DSM programs will result in savings to Enosburg's ratepayers of 132.2 KW and 481.8 MWHs in 1999, or 3.1 percent of anticipated peak load and 2.3 percent of anticipated energy requirements. Exh. Enosburg-1 at Attachment 3.1.

14. Enosburg projects a societal benefit from all cost-effective DSM program activities of \$232,957 with an attendant societal cost of \$118,252 on a net present value basis. This will result in an estimated net societal benefit of \$115, 606 and a benefit-cost ratio of 1.97 to 1. Exh. Enosburg-1 at Attachment 3.1.

i. Residential Fuel-Switching/ High Use.

15. Enosburg has agreed to determine if there is any cost-effective residential space heating or water heating fuel-switching opportunities in its service territory. Enosburg will implement the fuel-switching programs approved in Docket No. 5270-HDWK-1 for any cost-effective fuel-switches. Stip at 6.

16. Within thirty days after Enosburg revises its avoided costs, it will analyze the cost-effectiveness of residential fuel-switching using the binning methodology, and file a program to acquire those resources if a significant amount of cost-effective fuel-switching is available. If fuel-switching is not cost-effective, Enosburg will

4. Enosburg made this filing on 11/15/95.

5. Enosburg filed its revised avoided costs on 11/22/95.

screen weatherization measures and determine the cost-effectiveness of a residential high-use program. Enosburg will file the results of its analysis with the Board and the DPS.⁶ Stip. at 6-7.

ii. Farm Program

17. Enosburg is estimated to have thirty-five farms which fall into a usage category above 3,000 kWh per month. Exh. Enosburg-1 at 3.4.3.

18. Enosburg will modify its Farm Efficiency Program so that the eighteen-month simple payback is provided to participating customers consistent with the farm program design approved for Hardwick and so that implementation will be complete in four years. Stip. at 7.

iii. Large Commercial Retrofit Program

19. The commercial class in Enosburg is mainly smaller customers. Enosburg has one large dairy products manufacturing customer. Exh. Enosburg-1 at 1.1.7.

20. Enosburg will modify the Large Commercial Retrofit Program so that customers will bear the cost of cost-effective measures with less than an eighteen-month simple payback. Enosburg will offer an incentive for each cost-effective measure with over an eighteen-month simple payback sufficient to bring the payback to eighteen months. Incentive payments will be contingent upon the customer installing all measures with an eighteen-month or less payback. Stip. at 7-8.

iv. Measure and Program Screening Methodology

21. The Department and Enosburg agree as follows:

(a) The Department will accept Enosburg's program screening for programs with one measure. Enosburg agrees, where appropriate, to provide program screening results as a summary of individual measures for all multi-measure programs;

(b) Enosburg agrees to use the binning methodology;

(c) Enosburg agrees to provide complete and accurate documentation of assumptions used for measure costs and savings as programs are evaluated and re-designed or by January 1, 1996, whichever is sooner.⁷ Stip. at 8.

v. Other DSM Resources

22. Enosburg agrees that in its next IRP it will develop a comprehensive lost opportunities strategy for securing DSM resources from all relevant customer classes and a second set of retrofit program designs will be explicitly modeled. Stip. at 9.

23. Enosburg agrees that the issue of load impact of DSM resources beyond the

6. Enosburg made this filing on 12/22/95.

7. Enosburg made this filing on 12/20/95.

proposed DSM programs may be re-opened in any applicable proceeding under 30 V.S.A. § 248. Stip. at 9.

E. OTHER

24. The Department and Enosburg have agreed that Enosburg should file its next IRP on August 1, 1998. Tr. of 10/3/95 at 28.

IV. DISCUSSION

Enosburg's first IRP was filed on June 17, 1991. The IRP reviewed in this Docket, filed on August 1, 1995, was a substantial revision to the 1991 filing.⁸ Between June 1991 and March 1995, several VPPSA-member IRPs were reviewed and approved by the Board. The current IRP, as modified by the parties' stipulation, incorporates many of the analytical approaches, screening methodologies, program designs, and compliance filing requirements approved in prior VPPSA-member IRP dockets.⁹ The parties are to be commended for reaching agreement on many contentious issues and avoiding protracted litigation. In many respects, this IRP incorporates the best elements of other VPPSA-member IRPs and reflects the benefits of lessons learned from program implementation.

Enosburg has been providing very limited energy efficiency services to its customers since 1994. The programs contained in Enosburg's IRP reviewed here will provide significant opportunities for customers to implement comprehensive cost-effective measures.

Enosburg is one of four of the VPPSA first-round IRPs to be settled on a consolidated basis. The Department and Enosburg have agreed on certain modifications to Enosburg's IRP and have agreed that with those modifications Enosburg's IRP should be approved by the Board as meeting the statutory criteria of 30 V.S.A. § 218c. Based on the evidence in this Docket, I conclude that Enosburg's IRP, as modified by the stipulation, is a least-cost plan that will acquire all cost-effective DSM pursuant to 30 V.S.A. § 218c and the Board's Order in Docket No. 5270.

I recommend that the Board approve Enosburg's IRP as modified by the parties' Stipulation.

The foregoing is hereby reported to the Public Service Board in accordance

8. Enosburg became a member of VPPSA in late 1994. The IRP filed on 8/1/95 was developed by VPPSA for Enosburg.

9. See, Docket No. 5270-LDLW-1, Order of 12/3/92; Docket No. 5270-LYND-1, Order of 11/30/93; Docket No. 5270-HDWK-1, Order of 12/2/94; and Docket No. 5270-HDPK-1, Order of 5/15/95.

with the provisions of 30 V.S.A. § 8. The parties have waived their right to comment on this Proposal for Decision in accordance with 3 V.S.A. § 811.

DATED at Montpelier, Vermont, this 16th day of January, 1996.

s/Sandra A. Waldstein

Sandra A. Waldstein
Hearing Officer

V. ORDER

IT IS HEREBY ORDERED, ADJUDGED AND DECREED by the Public Service Board of the State of Vermont that:

1. The findings, conclusions and recommendations of the Hearing Officer are hereby adopted.
2. Enosburg's IRP is approved as modified by the parties' Stipulation.
3. Enosburg shall submit a complete transmission and distribution study to the Board and the Department by August 1, 1996.
4. Enosburg shall submit, as a compliance filing, by September 1, 1996, a plan and schedule detailing the timely implementation of the recommendations of the transmission and distribution study.
5. Enosburg shall file a DSM annual report on or before April of each year, with the first report due on April 1, 1996.
6. Enosburg shall file its next IRP on or before August 1, 1998.

DATED at Montpelier, Vermont, this 17th day of January, 1996.

<u>s/Richard H. Cowart</u>)	PUBLIC SERVICE
)	
<u>s/Suzanne D. Rude</u>)	
)	BOARD
<u>s/David C. Coen</u>)	
)	OF VERMONT

OFFICE OF THE CLERK

FILED: JANUARY 17, 1996

ATTEST: s/Cynthia G. Buska
Assistant Clerk of the Board

NOTICE TO READERS: This decision is subject to revision of technical errors. Readers are requested to notify the Clerk of the Board of any technical errors, in order that any necessary corrections may be made.

Appeal of this decision to the Supreme Court of Vermont must be filed with the Clerk of the Board within thirty days. Appeal will not stay the effect of this Order, absent further Order by this Board or appropriate action by the Supreme Court of Vermont. Motions for reconsideration or stay, if any, must be filed with the Clerk of the Board within ten days of the date of this decision and order.